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Attorneys for Debtors
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
-----X	

**STIPULATION, AGREEMENT AND ORDER
BETWEEN LEHMAN COMMERCIAL PAPER INC.
AND CERTAIN CALIFORNIA VOLUNTARY DEBTOR
ENTITIES GRANTING LIMITED RELIEF FROM THE AUTOMATIC STAY**

Lehman Commercial Paper Inc. (“LCPI”) and the Subject Voluntary Debtors¹ (the “Subject Voluntary Debtors” together with LCPI, the “Parties”), by and through their respective counsel, hereby enter into this Stipulation, Agreement and Order and represent and agree as follows:

RECITALS

A. On September 15, 2008 and periodically thereafter (the “Commencement Date”), Lehman Brothers Holdings Inc. and certain of its subsidiaries (collectively, the “Debtors”) commenced with this Court voluntary cases under chapter 11 of title 11 of the United States

¹ The “Subject Voluntary Debtors” are Palmdale Hills Property, LLC, Acton Estates, LLC, SunCal Beaumont Heights, LLC, SunCal Bickford Ranch LLC, North Orange Del Rio Land, LLC, SunCal Emerald Meadows, LLC, SunCal Johansson Ranch, LLC, SunCal Summit Valley, LLC, Tesoro SF, LLC and SCC Communities, LLC.

Code (“Bankruptcy Code”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. The Subject Voluntary Debtors are currently debtors whose chapter 11 cases (the “California Bankruptcy Cases”) are pending in the United States Bankruptcy Court for the Central District of California (the “California Bankruptcy Court”).

C. The Parties have negotiated and filed a stipulation with the California Bankruptcy Court (a copy of which is annexed hereto as Exhibit “1”) (the “California Stipulation”). The Parties request the Court modify the automatic stay, to the extent it applies.

D. The Parties hereto have agreed to the terms set forth below.

NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT IS HEREBY STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THEIR UNDERSIGNED COUNSEL, AND UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

1. This Stipulation, Agreement and Order is hereby approved without necessity or requirement of further proceedings or Court approval.

2. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified solely to permit LCPI to enter into the California Stipulation and undertake any actions contemplated to be taken by LCPI in connection therewith; *provided that*, nothing in this Stipulation, Agreement and Order shall require any party hereto to enter into the California Stipulation.

3. Except as provided in paragraph 2, and to the extent the automatic stay applies,

the provisions of section 362(a) of the Bankruptcy Code, including, without limitation, those provisions prohibiting any act to collect, assess, or recover a claim that arose prior to the Commencement Date from LCPI's estate and/or assets or property of LCPI (as defined in section 541 of the Bankruptcy Code) shall remain in full force and effect.

4. Notwithstanding anything to the contrary herein, this Stipulation, Agreement and Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, any rights, claims or privileges (whether legal, equitable or otherwise) of the Parties with respect to any issues that are not expressly addressed herein. Specifically, and for the avoidance of doubt, the Parties reserve all rights in connection with the Alleged Unencumbered Cash (as defined in the California Stipulation) and all aspects of pending litigation among the Parties, including, without limitation, any matters involving equitable subordination or substantive consolidation.

5. This Stipulation, Agreement and Order is solely for the benefit of the Parties and not for any other person or entity, and no such other person or entity shall be entitled to the benefit of (or be entitled to rely upon) this Stipulation, Agreement and Order.

6. Each person who executes this Stipulation, Agreement and Order on behalf of a Party represents that he or she is duly authorized to execute this Stipulation, Agreement and Order on behalf of such Party.

7. This Stipulation, Agreement and Order may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8. This Stipulation, Agreement and Order can only be amended or otherwise modified by a signed writing executed by the parties hereto.

9. This Stipulation, Agreement and Order shall be effective immediately upon its

entry and shall not be stayed pursuant to Federal Rule of Bankruptcy Procedure 4001(a)(3).

10. The Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation, Agreement and Order.

Dated: June 7, 2010

WEIL, GOTSHAL & MANGES LLP

/s/ Shai Y. Waisman

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/s/ Paul J. Couchot

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Attorneys for the Subject Voluntary Debtors

SO ORDERED:

Dated: New York, New York
June 22, 2010

s/ James M. Peck
HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT “1”

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General Insolvency Counsel for Voluntary Debtors and Debtors
in Possession

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re:
Palmdale Hills Property, LLC, and Its Related Debtors,
Jointly Administered Debtors and
Debtors-In-Possession.

Affects:

- ☐ All Debtors
- ☒ Palmdale Hills Property, LLC
- ☒ SunCal Beaumont Heights, LLC
- ☐ SCC/Palmdale, LLC
- ☒ SunCal Johansson Ranch, LLC
- ☒ SunCal Summit Valley, LLC
- ☒ SunCal Emerald Meadows, LLC
- ☒ SunCal Bickford Ranch, LLC
- ☒ Acton Estates, LLC
- ☐ Seven Brothers, LLC
- ☐ SJD Partners, Ltd.
- ☐ SJD Development Corp.
- ☐ Kirby Estates, LLC
- ☐ SunCal Communities I, LLC
- ☐ SunCal Communities III, LLC

Case No.: 8:08-bk-17206-ES

Jointly Administered With Case Nos.

8:08-bk-17209-ES; 8:08-bk-17240-ES;
8:08-bk-17224-ES; 8:08-bk-17242-ES;
8:08-bk-17225-ES; 8:08-bk-17245-ES;
8:08-bk-17227-ES; 8:08-bk-17246-ES;
8:08-bk-17230-ES; 8:08-bk-17231-ES;
8:08-bk-17236-ES; 8:08-bk-17248-ES;
8:08-bk-17249-ES; 8:08-bk-17573-ES;
8:08-bk-17574-ES; 8:08-bk-17575-ES;
8:08-bk-17404-ES; 8:08-bk-17407-ES;
8:08-bk-17408-ES; 8:08-bk-17409-ES;
8:08-bk-17458-ES; 8:08-bk-17465-ES;
8:08-bk-17470-ES; 8:08-bk-17472-ES;
and 8:08-bk-17588-ES

Chapter 11

**STIPULATION PURSUANT TO
11 U.S.C. §§ 362, 363, 364, AND 507:
(1) AUTHORIZING THE USE OF
ALLEGED UNENCUMBERED CASH;**

- ☒ SCC Communities, LLC
- ☒ North Orange Del Rio Land, LLC
- ☒ Tesoro SF, LLC
- ☐ LB-L-SunCal Oak Valley, LLC
- ☐ SunCal Heartland, LLC
- ☐ LB-L-SunCal Northlake, LLC
- ☐ SunCal Marblehead, LLC
- ☐ SunCal Century City, LLC
- ☐ SunCal PSV, LLC
- ☐ Delta Coves Venture, LLC
- ☐ SunCal Torrance, LLC
- ☐ SunCal Oak Knoll, LLC

**(2) GRANTING ADMINISTRATIVE
EXPENSE CLAIMS; AND
(3) MODIFYING AUTOMATIC STAY
TO THE EXTENT NECESSARY**

**Hearing Date Requested Pursuant to Ex
Parte Application to
Shorten Time Filed
Herewith:**

Date: June 22, 2010
Time: 10:30 AM
Place: Courtroom 5A

This stipulation (the “Stipulation”) is made by and between Lehman ALI, Inc. (“Lehman ALI”), Lehman Commercial Paper Inc. (“LCPI”), Northlake Holdings LLC (“Northlake Holdings”), OVC Holdings LLC (“OVC Holdings” and, collectively with Lehman ALI, LCPI and Northlake Holdings, the “Lehman Entities”),¹ on the one hand, and certain of the above-captioned debtors and debtors in possession affected by this Stipulation (the “Subject Voluntary Debtors”)², on the other hand. The Lehman Entities and the Subject Voluntary Debtors (together, the “Parties”) hereby enter into this Stipulation and agree as follows:

RECITALS

WHEREAS, on November 6, 7, and 19, 2008, the Voluntary Debtors³ filed their respective voluntary petitions under title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Central District of California (the “Court”). The Voluntary Debtors

¹ The Lehman Entities shall refer to the Lehman Entities on behalf of themselves, both individually and collectively, as purported lenders, and as purported agents for all lenders under the applicable loan documents, including, without limitation, as purported agents for Fenway Capital, LLC. Notwithstanding anything to the contrary contained herein, the Lehman Entities do not concede that they are “purported” lenders or agents as to the loan(s) or any particular loan, and reserve all of their rights in connection therewith.

² The Subject Voluntary Debtors are: Palmdale Hills Property, LLC; Acton Estates, LLC; SunCal Beaumont Heights, LLC; SunCal Bickford Ranch LLC; North Orange Del Rio Land, LLC; SunCal Emerald Meadows, LLC; SunCal Johansson Ranch, LLC; SunCal Summit Valley, LLC; Tesoro SF, LLC; and SCC Communities, LLC.

³ The Voluntary Debtors in these cases consist of: Palmdale Hills Property, LLC (Main Case) (Case No. 8:08-17206-ES); Acton Estates, LLC (Case No. 8:08-17236-ES); Kirby Estates, LLC (Case No. 8:08-17246-ES); North Orange Del Rio Land, LLC (Case No. 8:08-17574-ES); SCC Communities, LLC (Case No. 8:08-17573-ES); SCC/Palmdale, LLC (Case No. 8:08-17224-ES); Seven Brothers, LLC (Case No. 8:08-17240-ES); SJD Development Corp. (Case No. 8:08-17245-ES); SJD Partners, Ltd. (Case No. 8:08-17242-ES); SunCal Beaumont Heights, LLC (Case No. 8:08-17209-ES); SunCal Bickford Ranch, LLC (Case No. 8:08-17231-ES); SunCal Communities I, LLC (Case No. 8:08-17248-ES); SunCal Communities III, LLC (Case No. 8:08-17249-ES); SunCal Emerald Meadows, LLC (Case No. 8:08-17230-ES); SunCal Johansson Ranch, LLC (Case No. 8:08-17225-ES); SunCal Summit Valley, LLC (Case No. 8:08-17227-ES); and Tesoro SF, LLC (Case No. 8:08-17575-ES).

1 continue to manage their affairs and property as debtors in possession pursuant to sections 1107 and
2 1008 of the Bankruptcy Code.

3 WHEREAS, on November 12, 14 and 19, 2008, involuntary petitions were filed against the
4 Trustee Debtors.⁴

5 WHEREAS, on or about January 8, 2009, the Court entered orders for relief in the Trustee
6 Debtors' cases.

7 WHEREAS, on or about January 15, 2009, the Court entered orders granting the appointment
8 of a chapter 11 trustee in each of the Trustee Debtors' cases. Thereafter, the Office of the United
9 States Trustee appointed Steven M. Speier as the Chapter 11 Trustee (the "Trustee") for the Trustee
10 Debtors.

11 WHEREAS, the Lehman Entities are authorized to enter into this Stipulation on behalf of
12 themselves, as lenders, and as agents for all lenders under the applicable loan documents.

13 WHEREAS, LCPI is a debtor and debtor in possession in the jointly administered cases
14 captioned In re Lehman Brothers Holdings Inc., Case No. 08-13555 (JMP), pending in the United
15 States Bankruptcy Court for the Southern District of New York (the "New York Bankruptcy
16 Court").

17 WHEREAS, the Lehman Entities assert secured claims against the Debtors that approximate
18 \$2.3 billion, and include within the scope of the pledged collateral certain real and personal property
19 owned by the Subject Voluntary Debtors.

20 WHEREAS, certain of the Voluntary Debtors maintain bank accounts containing cash or
21 cash equivalents, which the Lehman Entities assert are subject to perfected liens and therefore
22 constitute the Lehman Entities' "cash collateral" under section 363 of the Bankruptcy Code. The
23 Subject Voluntary Debtors dispute such contention, and assert that such cash and cash equivalents
24 are not subject to perfected liens of the Lehman Entities and therefore do not constitute "cash
25

26 ⁴ The Trustee Debtors in these cases consist of: SunCal Heartland, LLC (Case No. 8:08-17407-ES); LB-L-SunCal
27 Northlake, LLC (Case No. 8:08-17408-ES); SunCal Marblehead, LLC (Case No. 8:08-17409-ES); SunCal Century
28 City, LLC (Case No. 8:08-17458-ES); SunCal PSV, LLC (Case No. 8:08-17465-ES); Delta Coves Venture, LLC (Case
No. 8:08-17470-ES); SunCal Torrance, LLC (Case No. 8:08-17472-ES); LB-L SunCal Oak Valley, LLC (Case No.
8:08-17404-ES); and SunCal Oak Knoll, LLC (Case No. 8:08-17588-ES). The Voluntary Debtors and the Trustee
Debtors shall be referred to herein as the "Debtors."

1 collateral” under section 363 of the Bankruptcy Code. The cash and cash equivalents held by the
2 Subject Voluntary Debtors shall be referred to herein as the “Alleged Unencumbered Cash” and
3 shall include, but are not limited to, the cash and cash equivalents held in the accounts maintained by
4 the Subject Voluntary Debtors set forth in **Exhibit A** attached hereto.

5 WHEREAS, on April 2, 2009, Lehman ALI, certain of the Voluntary Debtors, and the
6 Trustee for the Trustee Debtors, by and through their counsel, entered into that certain *Stipulation*
7 *with Lehman ALI, Inc. Pursuant to 11 U.S.C. §§ 362, 363, 364, and 507: (1) Approving Senior*
8 *Secured Superpriority Postpetition Financing; (2) Granting Liens and Providing Superpriority*
9 *Administrative Expense Status; and (3) Modifying Automatic Stay to the Extent Necessary* (the
10 “April 2009 DIP Stipulation”) affecting certain of the Voluntary Debtors and certain of the Trustee
11 Debtors as set forth specifically therein (the “April 2009 Borrowers”). The April 2009 DIP
12 Stipulation was approved by the Court by the entry of an order on April 17, 2009 (the “April 2009
13 DIP Order”).

14 WHEREAS, pursuant to the April 2009 DIP Stipulation, among other things, the April 2009
15 Borrowers were authorized to borrow from Lehman ALI, and Lehman ALI was authorized to make
16 available to each April 2009 Borrower, individual loans (collectively, the “April 2009 DIP Loans”)
17 in an aggregate amount equal to \$1,790,572.00.

18 NOW THEREFORE, in consideration of the mutual covenants contained herein, and other
19 good and valuable consideration (the receipt and sufficiency of which are acknowledged), it is
20 hereby stipulated and agreed by and among the Parties as follows:

21 **AGREEMENT**

22 1. Court Approval. The Stipulation is subject to approval of the Court, and LCPI’s entry
23 into the Stipulation is subject to approval by the New York Bankruptcy Court, and the Stipulation
24 shall have no force and effect until the date that both such approvals have been obtained (the
25 “Approval Date”). Immediately upon the Approval Date (notwithstanding any applicable law or rule
26 to the contrary), the terms and provisions of this Stipulation shall become valid and binding upon
27 and inure to the benefit of the Lehman Entities, the Subject Voluntary Debtors, all other creditors of
28 the Subject Voluntary Debtors, any committees appointed in these cases, and all other parties in

1 interest and their respective successors and assigns, including any trustee or other fiduciary hereafter
2 appointed in any of the cases or upon dismissal of any of the above-captioned cases (the “Cases”).

3 2. The Subject Voluntary Debtors’ Use of the Alleged Unencumbered Cash. The
4 Lehman Entities consent to the use by each Subject Voluntary Debtor of the Alleged Unencumbered
5 Cash held by each such Subject Voluntary Debtor solely for the purpose of paying: (a) the costs and
6 expenses attributable to each such Subject Voluntary Debtor in the total aggregate amount not to
7 exceed \$423,172.00 as set forth in the budgets attached hereto as **Exhibit B** (the “Budgets,” as such
8 Budgets may be revised or amended with the written consent of the Lehman Entities, which consent
9 may be granted or withheld in the Lehman Entities’ sole and absolute discretion) in an aggregate
10 amount not to exceed the total amount of the Budgets as set forth in **Exhibit B**, except that each
11 Subject Voluntary Debtor may expend funds for any particular line items allocable to such Subject
12 Voluntary Debtor as set forth in the Budgets (the “Budget Items”) in excess of the respective
13 amounts provided for such Budget Items for a particular Subject Voluntary Debtor, so long as such
14 excess amount is equal to or less than 5% of the amount allocated to that particular Subject
15 Voluntary Debtor for a particular Budget Item and provided that the aggregate amount for all such
16 Budget Items for a particular Subject Voluntary Debtor is not increased; and (b) the reasonable fees
17 and expenses incurred by professionals retained in the Voluntary Debtors’ cases, including the law
18 firm of Miller Barondess, LLP (the “Miller Firm”). In addition, LCPI consents to and Palmdale
19 Hills Property, LLC (“Palmdale Hills”) is authorized to make, from Alleged Unencumbered Cash
20 held by Palmdale Hills, individual loans: (a) to each of the other Subject Voluntary Debtors solely
21 for the purpose of paying (i) the costs and expenses attributable to each such Subject Voluntary
22 Debtor as set forth in the Budgets attached hereto as **Exhibit B** and (ii) the reasonable fees and
23 expenses incurred by professionals retained in the Voluntary Debtors’ cases, including the Miller
24 Firm; and (b) by separate Court approval, to the Trustee Debtors for the purpose of paying the
25 reasonable fees and expenses incurred by professionals retained in the Trustee Debtors’ cases,
26 including the Miller Firm; provided, however, that: (a) Palmdale Hills is permitted to make
27 individual loans from Alleged Unencumbered Cash held by Palmdale Hills only to Subject
28 Voluntary Debtors or Trustee Debtors that have used, and accordingly no longer hold, any Alleged

Unencumbered Cash; and (b) the use of any Alleged Unencumbered Cash for payments to the Miller Firm shall be subject to the terms and conditions set forth in the *Order Granting Amended Joint Application for Authority to Employ Miller Barondess, LLP as Special Litigation Counsel* [D.E. 1061]. The aggregate amount of any Alleged Unencumbered Cash used in accordance with this paragraph 2 shall be referred to herein as the “Alleged Unencumbered Cash Funding Amount.” The Subject Voluntary Debtors shall maintain appropriate documentation related to the expenditure of any and all of the Alleged Unencumbered Cash Funding Amount. The Subject Voluntary Debtors shall provide to the Lehman Entities, upon their reasonable request, a breakdown of the Alleged Unencumbered Cash Funding Amount spent as of the date of the request and provide all documentation relating to such actual amounts spent. For the avoidance of doubt, the Budget Items for each Subject Voluntary Debtor shall not be modified, the Subject Voluntary Debtors shall not expend any of the Alleged Unencumbered Cash Funding Amount for any particular Budget Items in excess of the respective amounts provided for such Budget Items in the Budgets (plus 5%), and the Alleged Unencumbered Cash held by each such Subject Voluntary Debtor shall not be used for any other purpose, or by any other Subject Voluntary Debtor for costs and expenses allocable to any such other Subject Voluntary Debtor, without (i) the prior written consent of the Lehman Entities, which consent may be granted or withheld in the Lehman Entities’ sole and absolute discretion, or (ii) further order of the Court.

3. Termination Date. The authority provided hereunder to use the Alleged Unencumbered Cash Funding Amount shall terminate on the one hundred and twentieth day (120th) day after the Approval Date (the “Termination Date”), and no further use of the Alleged Unencumbered Cash Funding Amount shall be made after thirty (30) days following the Termination Date without either the prior written consent of the Lehman Entities, which consent may be granted or withheld in the Lehman Entities’ sole and absolute discretion, or further order of the Court, provided however, that the Termination Date shall apply only with respect to the Budgets and not with respect to the payment of professional fees.

4. Repayment of the Alleged Unencumbered Cash Funding Amount as Administrative Expense Claims Under Certain Circumstances. In the event the Parties agree or the Court finds that

1 all or portion(s) of the Alleged Unencumbered Cash are subject to perfected liens of the Lehman
2 Entities, then such portions of the Alleged Unencumbered Cash Funding Amount subject to the
3 perfected liens shall constitute an allowed administrative expense claim under the Bankruptcy Code
4 that shall be due and payable to the applicable Lehman Entities by a plan proponent in full, in cash,
5 without notice or demand, upon the effective date of any confirmed plan of reorganization or
6 liquidation in the Cases. In the event the Parties agree or the Court finds that all or portion(s) of the
7 Alleged Unencumbered Cash are not subject to perfected liens held by any of the Lehman Entities,
8 then such portions of the Alleged Unencumbered Cash Funding Amount not subject to any perfected
9 lien shall not be repayable in such circumstances wherein a Subject Voluntary Debtor used its own
10 Alleged Unencumbered Cash to pay the expenses of its own estate, or that such payments were
11 authorized to be made pursuant to the entered orders of the Court authorizing joint administration of
12 the Debtors (the "Joint Administration Orders"). Notwithstanding anything to the contrary
13 contained herein, the Lehman Entities reserve their rights to assert that the Joint Administration
14 Orders did not excuse the Subject Voluntary Debtors from repaying the amounts of professional fees
15 paid by other Subject Voluntary Debtors. In the event that the Parties agree or the Court finds that
16 all or portion(s) of the Alleged Unencumbered Cash are not encumbered by a perfected lien of the
17 Lehman Entities but such portions were used for the benefit of another Subject Voluntary Debtor,
18 then such portion(s) shall constitute an administrative expense obligation of the Subject Voluntary
19 Debtor for whose benefit such portion of the Alleged Unencumbered Cash was used, and shall be
20 repaid in accordance with section 1129(a)(9) of the Bankruptcy Code to the Subject Voluntary
21 Debtor that owned such portion of the Alleged Unencumbered Cash. The Parties reserve all rights in
22 connection with the Alleged Unencumbered Cash, including, without limitation, their rights with
23 respect to whether such cash is encumbered or unencumbered by perfected liens held by any of the
24 Lehman Entities. The administrative expense claims provided for in this paragraph 3 shall be
25 referred to herein as the "Alleged Unencumbered Cash Administrative Expense Claims."

26 5. Payment by Lehman ALI of Insurance Amounts. Lehman ALI agrees to pay directly
27 to insurers the insurance premiums associated with the provision of insurance coverage for the
28 properties owned by the Subject Voluntary Debtors up to the amounts listed for such properties as

1 set forth in **Exhibit C** attached hereto (the “Insurance Amounts”).

2 6. Maturity Date/Plan Treatment of Insurance Amounts. The Subject Voluntary Debtors
3 expressly stipulate and acknowledge that the Insurance Amounts shall be treated as administrative
4 expense claims under the Bankruptcy Code (the “Insurance Administrative Expense Claims”) and,
5 as such, must be paid to Lehman ALI in full, in cash, on the effective date of any confirmed plan of
6 reorganization or liquidation, or, in the event no plan is confirmed in the Voluntary Debtors’ cases,
7 the earlier of dismissal of such cases or conversion of such cases to chapter 7 (the “Insurance
8 Amount Maturity Date”).

9 7. Repayment Of April DIP Loan Amounts. Upon the occurrence of the Approval Date,
10 each applicable Subject Voluntary Debtor shall repay to Lehman ALI, from the Alleged
11 Unencumbered Cash held by each such Subject Voluntary Debtor, only to the extent of the lesser of
12 the amount that such Subject Voluntary Debtor borrowed under the April 2009 DIP Order and the
13 amount of such Voluntary Debtor’s Alleged Unencumbered Cash, the full amount of the April 2009
14 DIP Loans (including all outstanding principal and accrued and unpaid interest) made to each such
15 Voluntary Debtor as set forth in **Exhibit D** attached hereto, plus all outstanding accrued and unpaid
16 interest on such loans as provided for in paragraph 5 of the April 2009 DIP Stipulation. To the
17 extent an April DIP Loan made to a particular Subject Voluntary Debtor exceeds the amount of
18 Alleged Unencumbered Cash held by such Subject Voluntary Debtor, Palmdale Hills shall make an
19 individual loan to such Subject Voluntary Debtor from Alleged Unencumbered Cash held by
20 Palmdale Hills for the purpose of permitting the repayment of such Subject Voluntary Debtor’s April
21 DIP Loan by such Subject Voluntary Debtor to Lehman ALI. All funds lent by Palmdale Hills from
22 its Alleged Unencumbered Cash to any Voluntary Debtor(s) for the purpose set forth in this
23 paragraph shall constitute Alleged Unencumbered Cash Administrative Expense Claims and shall be
24 repaid in accordance with paragraph 3 herein. Any lien or encumbrance arising by reason of the
25 April 2009 DIP Loans shall be deemed released and of no further force or effect as to each Subject
26 Voluntary Debtor that has fully repaid such amount.

27 8. Modification of Automatic Stay. The automatic stay imposed under section 362(a) of
28 the Bankruptcy Code is modified as necessary to effectuate all of the terms and provisions of this

1 Stipulation, including, without limitation: (a) to permit the Subject Voluntary Debtors to incur all
2 liabilities and obligations in connection with their use of the Alleged Unencumbered Cash Funding
3 Amount; (b) authorize the repayment of the Alleged Unencumbered Cash Administrative Expense
4 Claims and Insurance Administrative Expense Claims; and (c) enable the enforcement, protection
5 and preservation of all of the Lehman Entities' rights and remedies with respect thereto or otherwise
6 under this Stipulation.

7 9. Events of Default. The following occurrences shall constitute an "Event of Default"
8 under this Stipulation as to the particular defaulting Subject Voluntary Debtor: (a) failure of the
9 Subject Voluntary Debtor to comply with any term of this Stipulation; or (b) the use of Alleged
10 Unencumbered Cash other than in strict compliance with the terms of this Stipulation; or (c) the
11 failure to repay the Alleged Unencumbered Cash Administrative Expense Claims or Insurance
12 Amounts pursuant to and in accordance with the terms of this Stipulation.

13 10. Remedies. Immediately upon the occurrence and during the continuation of an Event
14 of Default set forth in paragraph 9 by a particular Subject Voluntary Debtor, and without further
15 order of the Court, the applicable defaulting Subject Voluntary Debtor shall, at the direction of the
16 Lehman Entities, cease using the Alleged Unencumbered Cash.

17 11. Reservation of Rights. Notwithstanding anything to the contrary herein, this
18 Stipulation is without prejudice to, and does not constitute a waiver of, expressly or implicitly, any
19 rights, claims or privileges (whether legal, equitable or otherwise) of the Parties with respect to any
20 issues that are not expressly addressed herein. Specifically, and without limitation, (a) the Parties
21 reserve all rights in connection with the Alleged Unencumbered Cash, including without limitation
22 whether such cash is encumbered by perfected liens held by the Lehman Entities, and all aspects of
23 pending litigation among the Parties, including, without limitation, any matters involving equitable
24 subordination or substantive consolidation, (b) the Parties further agree that entry into this
25 Stipulation, and the use of Alleged Unencumbered Cash or the consent to the Alleged
26 Unencumbered Cash Administrative Expense Claims contemplated hereunder, shall not be used in
27 any manner in litigation amongst the Parties, whether as, for instance, a basis for or against
28 substantive consolidation or otherwise, and in no way shall have any effect on the adversary

proceeding captioned *Palmdale Hills Property, LLC, et al., v. Lehman ALI, Inc., et al.*, Adv. Pro. No. 09-1005-ES, pending in the Court, or otherwise, and (c) the rights, obligations, waivers, stipulations, agreements or defenses of the Parties among or between or to each other or any of them shall not be affected hereby except to the extent provided herein.

12. No Modification. Absent the written consent of the Lehman Entities and the Subject Voluntary Debtors or further order of the Court, the Lehman Entities and the Subject Voluntary Debtors agree that this Stipulation shall not be modified.

13. Jurisdiction. The Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

14. Further Cooperation. The Parties agree to and will cooperate fully with each other in the performance of this Stipulation, and will execute such additional agreements, documents or other instruments as may reasonably be required to carry out the intent of this Stipulation.

15. Signatures. This Stipulation may be signed in any number of counterparts (and by each Party hereto on different counterparts), each of which constitutes an original, but all such counterparts when taken together shall constitute one and the same agreement. This Stipulation may be executed by facsimile signature and delivered by facsimile transmission with the same effect as delivery of a manually executed counterpart of this Stipulation.

16. No admission; No Evidence. Neither this Stipulation nor anything contained in this Stipulation shall be construed as, treated as or characterized as an admission by any Party of any fact or liability or as evidence of any allegation of any Party. Neither this Stipulation nor anything in this Stipulation shall be admissible in any proceeding as evidence of liability or wrongdoing by any of the Parties. This Stipulation may be introduced, however, in any proceeding to enforce the terms of this Stipulation.

17. Authority. Each person who signs this Stipulation represents and warrants that he or she has the authority and capacity to act on behalf of the Party for whom he or she is signing and to bind that Party to the terms of this Stipulation.

18. Entire Agreement. This Stipulation contains the entire agreement between the Parties and may not be amended or modified except by a writing executed by the Parties or further order of

1 the Court. All prior oral and written agreements, if any, are expressly superseded hereby and are of
2 no further force and effect.

3 WEIL, GOTSHAL & MANGES LLP

4 - and -

5 Dated: June 4, 2010

6 PACHULSKI STANG ZIEHL & JONES LLP

7 By /s/ Dean A. Ziehl
8 Richard M. Pachulski
9 Dean A. Ziehl
10 Attorneys for Lehman ALI, Inc., Lehman
Commercial Paper Inc., Northlake
Holdings LLC and OVC Holdings LLC.

11 Dated: June 4, 2010

12 WINTHROP COUCHOT
PROFESSIONAL CORPORATION

13 By /s/ Paul J. Couchot
14 Paul J. Couchot
15 Peter W. Lianides
16 General Insolvency Counsel for Debtors
and Debtors-in Possession

17 APPROVED AS TO FORM AND SUBSTANCE:

18 Dated: June 4, 2010

19 IRELL & MANELLA LLP

20 By /s/ Alan Friedman
21 Alan Friedman
22 Kerri A. Lyman
23 Attorneys for Official Unsecured
24 Creditors' Committee of Voluntary
25 Debtors
26
27
28

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

EXHIBIT "A"

Account Holder	Approx. Balance	Account No.	Depository Bank
Acton Estates, LLC	\$0.00	3090345971	California Bank & Trust
North Orange Del Rio LLC	\$10.79	3090343681	California Bank & Trust
Palmdale Hills Property LLC (Anaverde Account)	\$2,715,279.41	1000914414	Central Pacific Bank
Palmdale Hills Property LLC - (Bond Interest)	\$2,685,118.80	3090346941	California Bank & Trust
Palmdale Hills Property LLC (CD)	\$343,000.00	3090003143	California Bank & Trust
SCC Communities LLC	\$4,534.42	3090343411	California Bank & Trust
SunCal Beaumont Heights, LLC	\$11.11	3090340821	California Bank & Trust
SunCal Bickford Ranch LLC	\$1,935,800.49	3090345891	California Bank & Trust
SunCal Emerald Meadows LLC	\$2,769.95	3090345701	California Bank & Trust
SunCal Johannson Ranch LLC	\$83,292.29	3090341041	California Bank & Trust
SunCal Summit Valley, LLC	\$37,434.14	3090341121	California Bank & Trust
Tesoro SF, LLC	\$71.07	3090343761	California Bank & Trust

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

EXHIBIT **A**

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120-Day DIP Budget
Approved Voluntary Budget

EXHIBIT B

Asset Name	Approved 120-Day Voluntary Budget									
	Life Safety	Security	Utilities	Erosion Control & Maint.	Entitlement Preservation	Insurance	G&A	Title Report	Taxes	4-Month TOTAL
Action	-	-	-	2,000	-	-	-	800	-	2,800
Beaumont Heights	-	-	-	-	-	-	-	800	-	800
Bickford Ranch	-	-	48,000	35,500	15,000	-	43,636	8,800	-	150,936
Del Rio	-	-	-	-	-	-	80,000	-	-	80,000
Emerald Meadows	-	1,200	-	13,000	-	-	43,636	800	-	58,636
Johansen Ranch	-	-	-	-	-	-	-	2,000	-	2,000
Joshua Ridge II	-	-	-	-	-	-	-	800	-	800
Ritter Ranch	-	4,000	-	36,400	-	-	-	1,600	-	124,000
Summit Valley	-	-	2,000	-	-	-	80,000	2,400	-	2,400
Tesoro Burnham	-	-	-	-	-	-	-	800	-	800
TOTAL	\$0	\$5,200	\$50,000	\$86,900	\$15,000	\$0	\$247,272	\$18,800	\$0	\$423,172

EXHIBIT B

EXHIBIT C

Allocated Voluntary Debtor Liability Insurance Premium

Voluntary Asset	Allocated Liability Insurance Premium
Acton	-
Beaumont Heights	-
Bickford Ranch	\$5,481
Emerald Meadows	\$1,027
Johansen Ranch	-
Summit Valley	-
Del Rio	-
Joshua Ridge	-
Tesoro Burnham	-
Ritter Ranch	\$35,710
TOTAL	\$42,218

EXHIBIT D

SUNCAL PORTFOLIO Lehman 30-Day April 2009 Approved Voluntary Budgets

Lehman 30-Day April 2009 Approved Voluntary Budgets								
Asset Name	Life Safety	Security	Utilities	Erosion Control & Maint.	Insurance (1)	G&A (2)	Legal Fee	30-DAY TOTAL
Acton Ranch	-	-	150	1,000	2,273	10,909	22,727	\$37,059
Beaumont Heights	-	-	-	-	-	-	-	-
Bickford Ranch	-	-	-	47,545	2,273	10,909	22,727	\$89,454
Del Rio	-	-	-	-	-	-	-	-
Emerald Meadows	-	1,200	-	33,150	2,273	10,909	22,727	\$49,259
Johansen Ranch	-	-	-	-	-	-	-	-
Joshua Ridge II	-	-	-	-	-	-	-	-
Ritter Ranch	-	-	7,550	36,500	2,273	10,909	22,727	\$79,659
Summit Valley	-	-	-	-	-	-	-	-
Tesoro Burnham	-	-	-	-	-	-	-	-
TOTAL	\$0	\$1,200	\$7,700	\$118,195	\$9,091	\$43,636	\$90,909	\$270,731